

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
(Richmond Division)**

In re:

LECLAIRRYAN PLLC,

Debtor.

Chapter 7

Case No. 19-34574 (KRH)

Lynn L. Tavenner, as Chapter 7 Trustee,

Plaintiff,

vs.

Adv. Proc. No. 20-03142-KRH

ULX Partners, LLC, ULX Manager LLC, and
UnitedLex Corporation

Defendants.

**ORDER DIRECTING THE EXCHANGE OF INFORMATION BETWEEN THE
DEFENDANTS, NICHOLAS HINTON, DANIEL REED, THE INSURANCE
COMPANIES AND THE CHAPTER 7 TRUSTEE**

On March 5th and 6th, 2022, Chief Judge Frank J. Santoro (the “**Chief Judge**”) conducted an in-person mediation with the Chapter 7 Trustee, Defendants, Nicholas Hinton, Daniel Reed, (Defendants, Nicholas Hinton, and Daniel Reed are collectively referred to herein as the (“**Respondents**”), Travelers Casualty and Surety Company, Continental Casualty Company, and Columbia Casualty Company (Travelers Casualty and Surety Company, Continental Casualty

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Company, and Columbia Casualty Company, are collectively referred to herein as the (“**Insurance Companies**”), and their respective counsel. *See* Docket No. 162. At the mediation, the Chief Judge ordered that the Respondents, Chapter 7 Trustee, and the Insurance Companies provide certain information to one another prior to continuing the mediation.

Therefore, pursuant to the authority set forth in the Court’s Order, dated February 4, 2022 [Docket No. 142], and the Court’s Mediation Order [Docket No. 162], the Chief Judge, as the Court-appointed mediator, hereby ORDERS and DIRECTS the following:

1. Upon the Respondents filing of the Insurance Declaration¹ with the Court, the Trustee shall have ten calendar (10) days to provide to the Respondents, and their counsel, as well as to the Insurance Companies and their counsel, the identity of the Trustee’s anticipated trial expert with respect to the damages the Trustee alleges were proximately caused by the Respondents, as well as a summary of the expert’s opinions to date as to the amount of such alleged damages and the basis therefore (collectively, the “**Trustee’s Damage Report**”). The Trustee’s Damage Report shall not be filed with the Court, but a copy shall be provided to the Chief Judge via email or other appropriate means. For the sake of clarity, the Trustee is not required to provide a Rule 26 damages expert report to the Respondents, the Chief Judge, or the Insurance Companies, as the deadline and any particulars for serving Rule 26 expert reports will be determined by Judge Huennekens. The Trustee’s Damage Report is solely for purposes of the confidential mediation and is not otherwise admissible, usable in proceedings, or discoverable absent further Order of this Court.

¹ Insurance Declaration is defined in this Court’s Order dated March 8, 2022.

2. After the Trustee's Damage Report is served on counsel for the Respondents and counsel for the Insurance Companies (via e-mail), the Respondents shall have ten calendar (10) days to provide to the Trustee and her counsel, as well as to the Insurance Companies and their counsel, the identity of the ULX Entities' anticipated expert as to damages, along with a summary of that expert's opinions to date rebutting the Trustee's Damage Report (the "**ULX Rebuttal Report**"). The ULX Rebuttal Report shall not be filed with the Court, but a copy shall be provided to the Chief Judge via email or other appropriate means. For the sake of clarity, the Respondents are not required to provide a Rule 26 rebuttal expert report to the Trustee, the Chief Judge, or the Insurance Companies, as the deadline and any particulars for serving Rule 26 expert reports will be determined by Judge Huennekens. The ULX Rebuttal Report is solely for purposes of the confidential mediation and is not otherwise admissible, usable in proceedings, or discoverable absent further order of this Court.


3. Within fifteen calendar (15) days of the entry of this Order, ULX Partners, LLC, ULX Manager, LLC, and UnitedLex Corporation, shall provide only to the Chief Judge, for his *en camera review*, their audited year-end financial statements for the last two years, as well as financial statements indicating their current financial condition (collectively, the "**ULX Financial Information**"). The ULX Financial Information is being produced solely for purposes of the confidential mediation and is not otherwise admissible or discoverable absent further Order of this Court.

4. After the Chief Judge has reviewed the Trustee's Damage Report, the ULX Rebuttal Report, and the ULX Financial Information, the Trustee, the Respondents, and the

Insurance Companies shall reconvene for mediation at a date and location to be determined by the Chief Judge.

IT IS SO ORDERED:

ENTERED: 3-8, 2022.


The Honorable Frank J. Santoro
Chief Judge, United States Bankruptcy Court

Entered on Docket: Mar 8 2022

WE ASK FOR THIS:

/s/ Erika L. Morabito
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WE ASK FOR THIS:

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Counsel to Defendant ULX Partners, LLC, ULX Manager LLC, UnitedLex Corporation, Daniel Reed, and Nicholas Hinton

CERTIFICATION

I hereby certify that, pursuant to Local Rule 9022-1, the foregoing proposed Order has either been endorsed by and/or served upon all necessary parties.

/s/ Thomas J. McKee, Jr.
Thomas J. McKee, Jr.